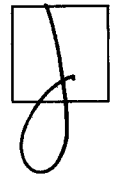


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-03880A
J.N.J. Enterprises
2303 E. Heatherbrae DR
Phoenix, AZ 85016

ANNUAL REPORT

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

FOR YEAR ENDING

12	31	2005
-----------	-----------	-------------

FOR COMMISSION USE

ANN04	05
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entered
4-18-06
RF

COMPANY INFORMATION

Company Name (Business Name)	J.N.J. Enterprises		
Mailing Address	2303 E. Heatherbrae Dr		
	(Street)		
Phoenix	AZ	85016	
(City)	(State)	(Zip)	
602-956-3646		602-463-5670	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email	JNJ44@COX.NET		
Local Office Mailing Address	SAME		
	(Street)		
	(City)	(State)	(Zip)
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address			

MANAGEMENT INFORMATION

Management Contact	Gerald Lenzion	Owner	
	(Name)	(Title)	
Same as above			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address			
On Site Manager:	Same as above		
	(Name)		
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☒ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co-op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☒ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☐ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	553	0	553
302	Franchises	0	0	0
303	Land and Land Rights	14945	0	14,945
304	Structures and Improvements	10592	1182	9,410
307	Wells and Springs	34607	3055	31,552
311	Pumping Equipment	9768	6071	3,697
320	Water Treatment Equipment	1538	1971	0
330	Distribution Reservoirs and Standpipes	18976	4625	14,351
331	Transmission and Distribution Mains	17773	1695	16,078
333	Services	8710	1281	7,429
334	Meters and Meter Installations	7911	3173	4,738
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	204	384	0
340	Office Furniture and Equipment	5249	1097	4,152
341	Transportation Equipment	89913	47231	42,682
343	Tools, Shop and Garage Equipment	1815	506	1,309
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	23870	3846	20,024
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	247,766	76,117	175,629

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	553	0	0
302	Franchises	0	0	0
303	Land and Land Rights	14945	0	0
304	Structures and Improvements	10592	3.33	353
307	Wells and Springs	34607	3.33	1152
311	Pumping Equipment	9768	12.50	1221
320	Water Treatment Equipment	2880	20.00	576
330	Distribution Reservoirs and Standpipes	18976	5.00	949
331	Transmission and Distribution Mains	17773	2.00	355
333	Services	8710	3.33	290
334	Meters and Meter Installations	7911	8.33	659
335	Hydrants	0	2.00	0
336	Backflow Prevention Devices	0	6.67	0
339	Other Plant and Misc. Equipment	204	6.67	14
340	Office Furniture and Equipment	5249	6.67	350
341	Transportation Equipment	89913	20.00	17983
343	Tools, Shop and Garage Equipment	1815	5.00	91
344	Laboratory Equipment	0	10.00	0
345	Power Operated Equipment	23870	5.00	1194
346	Communication Equipment	0	10.00	0
347	Miscellaneous Equipment	0	10.00	0
348	Other Tangible Plant	0	10.00	0
	TOTALS	247,766		25,187

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$0	\$1,956
134	Working Funds	5,292	
135	Temporary Cash Investments	0	
141	Customer Accounts Receivable	5,916	5,661
146	Notes/Receivables from Associated Companies	0	
151	Plant Material and Supplies	0	
162	Prepayments	0	
174	Miscellaneous Current and Accrued Assets	0	
	TOTAL CURRENT AND ACCRUED ASSETS	\$11,208	\$7,617
	FIXED ASSETS		
101	Utility Plant in Service	\$187,793	\$175,629
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	50,930	76,117
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$238,723	\$251,746
	TOTAL ASSETS	\$249,931	\$259,363

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$368	\$2,165
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	0	0
236	Accrued Taxes	393	393
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	0	0
	TOTAL CURRENT LIABILITIES	\$761	\$2,558
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$125,466	\$108,384
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$0	\$0
252	Advances in Aid of Construction	0	0
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$0	\$0
	TOTAL LIABILITIES	\$126,227	\$110,942
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$45,000	\$45,000
211	Paid in Capital in Excess of Par Value	0	0
215	Retained Earnings	0	0
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	\$45,000	\$45,000
	TOTAL LIABILITIES AND CAPITAL	\$171,227	\$155,942

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$80,168	\$79,326
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	237	833
	TOTAL REVENUES	\$80,395	\$80,159
	OPERATING EXPENSES		
601	Salaries and Wages	\$24,400	\$11,300
610	Purchased Water	0	0
615	Purchased Power	3,541	3,873
618	Chemicals	272	301
620	Repairs and Maintenance	13,005	1,446
621	Office Supplies and Expense	5,490	5,579
630	Outside Services	9,873	11,161
635	Water Testing	8,352	7,117
641	Rents	0	0
650	Transportation Expenses	6,310	7,110
657	Insurance – General Liability	4,715	2,492
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense – Rate Case	0	0
675	Miscellaneous Expense	7,318	5,296
403	Depreciation Expense	24,657	25,187
408	Taxes Other Than Income	0	0
408.11	Property Taxes	4,043	4,418
409	Income Tax	0	0
	TOTAL OPERATING EXPENSES	\$111,976	\$85,280
	OPERATING INCOME/(LOSS)	\$(31,581)	\$(5,121)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	(7,332)	(15,967)
427	Interest Expense	(24,807)	(8,736)
	TOTAL OTHER INCOME/(EXPENSE)	\$(24,807)	\$(24,703)
	NET INCOME/(LOSS)	\$(56,388)	\$(29,824)

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1/4/01	6/5/00	5/5/00	5/3/00
Source of Loan	Art Gardner	Carroll Powell	Gerald Lenzion	Gerald Lenzion
ACC Decision No.	64197			
Reason for Loan	Purchased water company	Purchased water company	Operation cost	Operation cost
Dollar Amount Issued	\$40,000	\$111,000	\$1,000	\$1,000
Amount Outstanding	\$24,781	\$81,603	\$1,000	\$1,000
Date of Maturity	1/4/2016	6/15/2015	ASAP	ASAP
Interest Rate	7%	7%	0 %	0%
Current Year Interest	\$1,874	\$5,939	\$0	\$0
Current Year Principle	\$3,639	\$5,923	\$0	\$0

Meter Deposit Balance at Test Year End \$0

Meter Deposits Refunded During the Test Year \$0

WATER COMPANY PLANT DESCRIPTION**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-800-712	5.0	35	430	6	3/4	2004
55-800-363	1.5	20	60	6	1	
55-800-362	1.5	6	300	6	3/4	
55-543-032	1.5	20	50	6	1	
55-631-406	3.5	30	94	8	1 1/2	
55-627-384	2.0	30	325	6	1	1999

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
1.5	4		
3.0	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
5,000	2	80	5
10,000	2	5,000	1
15,000	1	3,000	1
		2,000	1

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	11620
3	PVC	5200
4	PVC	5320
5		
6		
8		
10		
12		
4	Galvanized	4080
3	Galvanized	555
2	Galvanized	5416

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	250
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

COMPANY NAME: J.N.J Enterprises

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	250	190,249	207,371
FEBRUARY	250	174,658	188,630
MARCH	249	290,505	313,745
APRIL	247	312,603	334,485
MAY	245	594,628	624,359
JUNE	252	1,084,602	1,138,832
JULY	253	753,374	791,042
AUGUST	252	670,290	703,804
SEPTEMBER	249	468,749	506,248
OCTOBER	249	336,554	363,478
NOVEMBER	250	261,265	284,778
DECEMBER	250	240,592	264,651
TOTAL			5,721,423

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

Gardner#1=<0.001 #2=<0.0015

What is the level of arsenic for each well on your system. _____mg/l

(If more than one well, please list each separately.)

Christopher creek #1,2,3,4,=<0.0030

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME J.N.J Enterprises YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 4418.

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF	
	NAME Gerald Lenzion Owner
	J.N.J Enterprises LLC

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

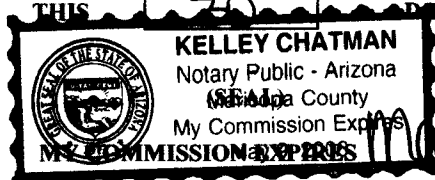
602-956-3646

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 30 **DAY OF**



COUNTY NAME	Maricopa
MONTH	March 2006


SIGNATURE OF NOTARY PUBLIC

COMPANY NAME J.N.J Enterprises **YEAR ENDING 12/31/2005**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported _____
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

PRINTED NAME

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (Maricopa
NAME	Gerald Lenzion
COMPANY NAME	J.N.J. Enterprises

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 85,489

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 5,380
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

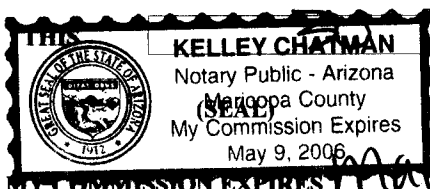

SIGNATURE OF OWNER OR OFFICIAL

602-956-3646

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

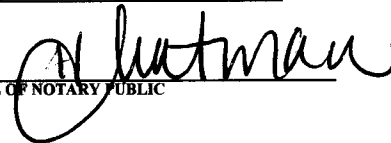
A NOTARY PUBLIC IN AND FOR THE COUNTY OF



DAY OF

COUNTY NAME	Maricopa
MONTH	MARCH
	2006

SIGNATURE OF NOTARY PUBLIC



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (Maricopa)	
NAME () Gerald Lenzion	TITLE Owner
COMPANY NAME J.N.J. Enterprises	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH 12	DAY 31	YEAR 2005
---------------------------	-------------------------	----------------------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>85,489</u>

**(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 5,380
IN SALES TAXES BILLED, OR COLLECTED)**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

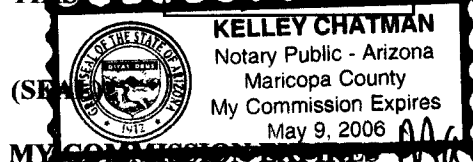

SIGNATURE OF OWNER OR OFFICIAL
602-956-3646

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF


THIS 30 DAY OF



MY COMMISSION EXPIRES

May 9, 06

NOTARY PUBLIC NAME Kelley Chatman	
COUNTY NAME Maricopa	
MONTH MARCH	.20 06


SIGNATURE OF NOTARY PUBLIC